

SUPERVISORY COMMITTEE REPORT FOR 2019-2022
71st ANNUAL GENERAL MEETING
MAY 27, 2022

Greetings! Directors, Fellow Officers, Management and Staff, Members-Owners of Saint Martin Credit Union.

At the last Annual General Meeting held on May 24th, 2019, there were two vacancies for officers to serve in the Supervisory Committee. Ms. Laura Sierra and Mrs. Karen Perez were re-elected to serve for a third term. The Committee members met within a week of being re-elected to develop a work plan for the year 2019-2020. This work plan was carried over into the 2020-2021 financial year.

It has been 3 years since we presented a report to the members due to the pandemic lock downs and prohibition of social gatherings, however, The Supervisory Committee continued to work behind the scenes to ensure that we carried out the duties we were elected to do on behalf of our members.

The Supervisory Committee has the primary responsibility of ensuring that financial and operational transactions are carried out according to approved policies. Since the introduction of the Internal Audit Function at SMCU in December, 2018, the Internal Auditor has assisted The Supervisory Committee to carry out structured audits, guided by an Internal Audit Charter and an approved Audit Work Plan. The Internal Auditor is specifically tasked with conducting risk-based assessments, identifying possible weaknesses in the processes currently utilized in daily operations, and making recommendations to management for strengthening of internal controls that will better protect the assets of SMCU. The Internal Auditor meets with the Supervisory Committee monthly and submits quarterly reports of the audits he conducts.

Audits carried out at both Head Office and Benque Branch include, but were not limited to:

- Vault checks – to ensure the balancing and safekeeping of cash, and other valuable documents
- Surprise Tellers and ATM cash count
- Reviewing and strengthening internal controls for the ATM and end-of-day cash transactions
- Review Monthly financials – to check progress of projected income, verified investments and cash on deposit at banks.
- Review of Monthly Budgeted Expenses
- Review of loans approved to ensure compliance with the Loan Policy
- Review of Minutes of Board meetings to ensure that the Board of Directors is providing clear guidance to Management
- Review of vehicle logbook
- Review of members' suggestion boxes
- Review of members' passbook to ensure that balances on accounts are accurate
- Addressing the concerns of members who reached out to the Supervisory Committee
- Meeting with the Central Bank of Belize Examiners as they conducted an Examination of SMCU
- Meeting with External Auditors to discuss the audit plan and areas of concern
- Meeting with the AML (Anti-Money Laundering) Consultant for the AML Audit conducted on SMCU

Members of The Supervisory Committee and Internal Auditor also attended a session conducted by Belize Credit Union League on the roles of the Supervisory Committee and that of the Internal Auditor. A virtual session on Anti-Money Laundering was also attended.

Currently every country in the world is still battling the deadly Coronavirus Pandemic despite the roll out of the Covid-19 vaccine in early 2021. When Belize confirmed its first case of COVID-19, on March 23rd, 2020, all normalcy came to a halt. There was an overnight loss of thousands of jobs especially in the tourism sector; numerous members of SMCU are among those affected. The country is seeing a gradual return to a sense of normalcy with a decrease in the number of Covid-19 infections and hopefully herd immunity can soon be achieved. However, moving forward will still prove to be a challenge as we now grapple with an increasing cost of living which affects the members' disposable income and borrowing power. As a financial institution we must remain skillful in providing the necessary services and assistance to members while not exposing the institution to increased risk. The Supervisory Committee pledges its continuous support to the Board of Directors and Management to ensure that SMCU remains a viable financial institution, while maintaining delinquency at a minimum.

The Supervisory Committee expresses gratitude to SMCU members for giving us the opportunity to serve you. To the Board of Directors, Management, Staff, The Credit Committee and Belize Credit Union League: Thank you for providing the necessary support that allowed us to carry out our duties. A very special heartfelt 'Thank You' to fellow Supervisors - Ms. Laura and Mrs. Karen, for their dedication and commitment even when coming together proved to be difficult. Ms. Laura Sierra was the glue that held The Committee together; she adjusted her work schedules to make herself available every time. We had to embrace the technology that enabled us to conduct virtual meetings in order to carry out our function while remaining safe. Thank you to Mr. Vargas for his hard work, paying attention to details and providing guidance where corrective action was necessary.

Supervisory Committee:

Irma Sanchez	Chairperson
Laura Sierra	Secretary
Karen Perez	Member